

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF OKLAHOMA

STATE OF OKLAHOMA

PLAINTIFF

VERSUS

CASE NO. 4:05-CV-00329 GKF(SAJ)

TYSON FOODS, INC., ET AL.

DEFENDANTS

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VIDEOTAPED 30(B)(6) DEPOSITION OF CAL-MAINE FOODS  
(STEVE STORM)

\*\*\*\*\*

APPEARANCES NOTED HEREIN

TAKEN AT INSTANCE OF: PLAINTIFF

DATE: OCTOBER 8, 2007

PLACE: YOUNG WILLIAMS, P.A.

210 E. CAPITOL STREET, STE 2000

JACKSON, MISSISSIPPI

TIME: 1:06 P.M.

REPORTED BY: TODD J. DAVIS

CSR #1406, RPR

WOOTTON REPORTING

338 Indian Gate Circle

Ridgeland, Mississippi 39157

601-898-9990

**Wootton Reporting**  
**601-898-9990**

**EXHIBIT**

**19**

1 STEVEN STORM,  
2 having been first duly sworn, was examined and  
3 testified under oath as follows:

4 EXAMINATION BY MR. RIGGS:

5 Q. Will you state your name for the record,  
6 please?

7 A. Steven Russell Storm.

8 Q. Mr. Storm, to save us a little time, let  
9 me try to review my notes from the earlier  
10 deposition you gave today.

11 I believe I learned that you are  
12 currently vice president for operations for  
13 Cal-Maine Foods?

14 A. Yes.

15 Q. And you've been in that position since  
16 1988 --

17 A. Correct.

18 Q. -- approximately?

19 And you came to work for Cal-Maine  
20 back in 1972 actually, and you've worked  
21 continuously since then, correct?

22 A. Yes.

23 Q. And you have a bachelor's degree in  
24 mathematics from Texas Tech?

25 A. Correct.

1 those.

2 I don't need to ask you about why  
3 you were listed there. And you've told us about  
4 Dolph Baker in your earlier deposition today.  
5 He's president of the company and chief operating  
6 officer. So --

7 A. That's correct.

8 Q. -- I -- you wouldn't need to tell me  
9 more about him.

10 But who are Joe Wyatt and Charlie  
11 Collins?

12 A. Joe Wyatt -- both are vice presidents.  
13 Joe Wyatt is vice president of feed operations and  
14 supervises the area of ingredient purchases and  
15 that sort of thing.

16 And --

17 Q. Does he -- excuse me.

18 Does he office here in Jackson?

19 A. Yes. Both -- all of these gentlemen do  
20 office in Jackson.

21 Charlie Collins is our company  
22 controller and is a vice president.

23 Q. Okay. Let me ask you, then, if you  
24 would look at that paragraph number -- letter B  
25 where it has a list of independent contract

1 growers who had production in the IRW during the  
2 last two years.

3 Would you look down that list for  
4 me?

5 A. I did.

6 Q. Do you recognize the names of those  
7 contractors?

8 A. Yes. I think all of these are contract  
9 producers in one fashion or another for  
10 Cal-Maine -- either with layers or breeders or  
11 pullet growing.

12 Q. Okay. And they all were in the Lincoln  
13 division of Cal-Maine?

14 A. That is correct.

15 Q. Do you know if all of their farms were  
16 in the Illinois River Watershed?

17 A. The best of my knowledge, every farm we  
18 had interest in was in the watershed.

19 Q. The Illinois River Watershed?

20 A. Illinois River Watershed.

21 Q. Right. Okay. A little background for  
22 me in addition to what we learned this morning.

23 Cal-Maine's operations in Illinois  
24 River Watershed were entirely for the production  
25 of -- of table eggs? Is that the right

1           A.     Yes.

2           Q.     What are those requirements?

3           A.     Our -- our general requirement was, I  
4 believe, 55 degrees storage on the farm.

5           Q.     How often are the eggs picked up from  
6 the contract producer?

7           A.     Well, it depends on the size of the farm  
8 somewhat and the size of the cooler and just the  
9 mechanics of all that. But minimum of two times a  
10 week.

11          Q.     If a producer believes that the flock of  
12 hens brought to his facilities by Cal-Maine is not  
13 of a quality he expects them to be, can he reject  
14 that flock or any birds in the flock?

15          A.     I've never known it to happen.

16          Q.     If veterinary services are needed during  
17 the time a producer has a flock of Cal-Maine  
18 chickens, who provides those services?

19          A.     Cal-Maine.

20          Q.     If medications are needed by the birds,  
21 who provides the medication?

22          A.     Cal-Maine.

23          Q.     Cal-Maine provides all the feed the  
24 chickens are fed?

25          A.     Yes, sir.

1 Q. Who decides what the ingredients of the  
2 feed are?

3 A. Cal-Maine.

4 Q. If the producer wanted to feed a chicken  
5 a different kind of feed, he would have no option  
6 about it, correct?

7 A. That's correct.

8 Q. If a producer wanted a certain  
9 ingredient not to be put in the feed -- speaking  
10 about the egg producers -- would they have any  
11 choice in the matter?

12 A. I doubt it. No.

13 Q. If he had a different idea about what  
14 was in -- or the watering system, let's say, for  
15 the birds, would he have any say-so in how the --  
16 that's done?

17 A. I would think so. He would own the  
18 watering system.

19 Q. So it's not essential to the egg  
20 production that the birds get a particular amount  
21 or kind of water?

22 A. Certainly, it is.

23 Q. Okay. But the company leaves that  
24 entirely up to the contract producer?

25 A. You know, we -- at the time we -- we

1 Q. Right. I'm asking you about variations  
2 in contracts from producer to producer based on  
3 negotiations with those individual producers.

4 Does that ever happen?

5 A. It can under one other circumstance.

6 Q. What would that be?

7 A. The -- the care provided in a facility.  
8 For example, a facility that provides cooling for  
9 the birds in the summer, that's -- there's a cost  
10 with that, and we pay more for that.

11 I mentioned earlier we had a  
12 contract at one point with a producer who had a  
13 small grader, and he graded and packaged the eggs  
14 ready for sale. We paid more for that.

15 So we have had instances where we  
16 did negotiate specifically with a...

17 Q. But the --

18 A. But our general contract was a general  
19 contract.

20 Q. Okay. But the differences you pointed  
21 out to me so far are in how the producer gets  
22 paid. It's not in any other terms of the  
23 contract.

24 Can you give me an example where  
25 the other terms of the contract vary from producer

1           A.    I guess anything that leaves there  
2           that's not an egg.

3           Q.    Okay.  It would include dead birds, of  
4           course?

5           A.    It -- it stipulates that.

6           Q.    All right.  It would include, I'm  
7           assuming, feathers that fall out of the bird while  
8           they're there, correct?

9           A.    I guess so.

10          Q.    Dead rodents, perhaps, if they get into  
11          the pit or something -- or in the house and die?

12          A.    You know, I -- I can't argue with that.  
13          Anything that's not -- yeah.

14          Q.    All right.  Feed that falls to the  
15          floor, that's considered part of the waste, right?

16          A.    I would think so.

17          Q.    Do you know specifically when that  
18          provision or those provisions of paragraph 3 were  
19          first made part of an egg producer's contract in  
20          the Illinois River Watershed by Cal-Maine?

21          A.    You know, I -- I suspect it's been there  
22          for the entire time that we've been there.  I -- I  
23          don't know if you -- we can find one that doesn't  
24          include that, but...

25          Q.    Does Cal-Maine do anything to verify



1 whether or not the producer is abiding by the  
2 terms of paragraph 3?

3 A. The -- we have a flock supervisor that  
4 would at least weekly visit the farm to be sure  
5 that everything is -- looks okay and is going all  
6 right. And it would become obvious to them if  
7 there were deficiencies.

8 Q. Okay. Is he charged specifically by the  
9 company with the responsibility of not only  
10 checking on the condition of the flock but  
11 checking on any environmental matters that he  
12 might observe while there?

13 MR. HIXON: I would object to the form.

14 A. You know, his primary responsibilities  
15 are to protect the company's assets, you know, and  
16 the care of the birds, the care of the eggs.

17 But -- but also -- and, you know,  
18 if -- if deficiencies were noted, it would be, you  
19 know, indicated to the producer that he would need  
20 to do -- improve in certain areas.

21 BY MR. RIGGS:

22 Q. Does this -- flock supervisor, I believe  
23 you called this person?

24 A. Yes.

25 Q. While on the premises of a contract

1           A.    I do.

2           Q.    Okay.  Are all of these medications or  
3 vaccine at one time or another given to Cal-Maine  
4 chickens?

5           A.    No.

6           Q.    Okay.  What is --

7           A.    For example, Barbate No. 1 is to poison  
8 rats.

9           Q.    Okay.  This is -- it's got supplies on  
10 here, too, doesn't it?

11                   All right.  Are all of these  
12 used -- to your knowledge, have all of these been  
13 used in the egg producers' operations in the IRW?

14           A.    Probably so.  It looks like there are  
15 some vaccines here that would go to pullets.  
16 There are some chemicals in there of one sort or  
17 another for -- for cleaning.

18                   An item or two, I don't recognize  
19 the name.

20           Q.    Are all of these provided by Cal-Maine,  
21 or does the producer provide them?

22           A.    The -- the items on here that are  
23 vaccines for the -- for the birds, we provide all  
24 of those.  And this occurs during the growing  
25 period of the pullets.

1 this. This is --

2 BY MR. RIGGS:

3 Q. I have seen that.

4 A. This is a -- this is a good  
5 representation of what we had.

6 Q. Okay. Do you mind if we make that an  
7 exhibit?

8 A. No. I don't mind at all.

9 Q. It might be easier to do that.

10 MR. RIGGS: We'll mark 47.

11 (Exhibit No. 47 marked for  
12 identification.)

13 MR. SANDERS: Is that the yearly totals  
14 of birds?

15 THE WITNESS: Right.

16 MR. SANDERS: Yeah.

17 BY MR. RIGGS:

18 Q. Okay. We've marked as Exhibit 47 a  
19 document you brought with you here today. It says  
20 at the top, "Average inventory, Lincoln,  
21 Arkansas," and it's got year ending from June of  
22 1990 through the end of May of 2005 with bird  
23 numbers on that.

24 It's got three categories: Layers,  
25 breeders, and pullets, I believe?

1           A.    That is correct.

2           Q.    All right.  What's the source of those  
3 numbers?

4           A.    Just, I guess, from our -- our records  
5 of various reports.

6           Q.    Okay.  Do you know who retrieves those  
7 numbers from -- from your records and --

8           A.    I was --

9           Q.    -- and created that document?

10          A.    I was involved in it.

11          Q.    Okay.  You were involved in actually  
12 creating that document?

13          A.    Yes.

14          Q.    All right.  So you -- you vouch for  
15 its --

16          A.    I think these are --

17          Q.    -- validity?

18          A.    These are the valid and good numbers.

19          Q.    Okay.  Did you make -- apparently, you  
20 didn't make the average calculation of 1,394,445  
21 for the -- for the 15 or so years?

22          A.    I didn't make that.  I don't know  
23 exactly --

24          Q.    Is that something we can --

25               MR. SANDERS:  That may be my arithmetic.

1 BY MR. RIGGS:

2 Q. That's something we can talk about  
3 later. I mean, that's -- if that's going to be a  
4 mathematical -- well, your degree was in  
5 mathematics. You can -- is that correct or not?

6 A. That's correct.

7 Q. You don't have to tell me right now.

8 But I understand we can talk about  
9 how -- how to do an average of those years.

10 A. Sure.

11 Q. But what's important is that you've said  
12 those numbers are the correct numbers?

13 A. These are representative, yes, sir.

14 Q. For the entire watershed?

15 A. Yes.

16 Q. And that would include birds -- I mean,  
17 in the company-owned facilities as well as --

18 A. Yes.

19 Q. -- the contract producers' --

20 A. Yes.

21 Q. -- birds? Okay.

22 Let me ask you about the waste or  
23 manure. And I know we can argue about  
24 terminology, and we've argued about that in court.

25 I'm going to use the term "waste."